Before the Bell

An Ameriprise Investment Research Group Publication

October 7, 2024

Starting the Day

- U.S. futures are pointing to a weaker open.
- European markets are trading mixed at midday.
- Asian markets ended mostly higher overnight.
- Stocks continue their winning ways.
- Q3 earnings, inflation, and FOMC minutes are in focus.
- 10-year Treasury yield at 4.01%.
- West Texas Intermediate (WTI) oil is trading at $76.34.
- Gold is trading at $2,677.50

Market Perspectives

Anthony Saglimbene, Chief Market Strategist

Weekly Market Perspectives: The S&P 500 Index and NASDAQ Composite each edged out their fourth straight week of gains, avoiding breaking the streak after Friday's unexpectedly strong September jobs report. A port strike on the East and Gulf Coasts that had the potential to slow economic growth in the fourth quarter quickly ended with a temporary union agreement, while violence in the Middle East continued to simmer. Also, Federal Reserve Chair Jerome Powell said if the U.S. economy evolves broadly as expected, policy rates would likely return to a neutral level over time (i.e., neither restrictive nor stimulative for growth). However, the Chair was quick to point out that policymakers are not in a hurry to lower rates, and following last week's strong jobs data, odds now heavily favor a 25-basis point rate cut in November.

Last Week in Review:

- The S&P 500 Index rose +0.3%. Over its four-week streak of gains, the Index is higher by +6.3%.
- The NASDAQ Composite gained +0.1%. The tech-heavy benchmark is higher by +8.7% over the last four weeks.
- Stock gains on the week were stronger across the Dow Jones Industrials Average (+0.8%) and the Russell 2000 Index (+1.5%). The Dow is up nearly +5.0% over its current four-week winning streak.
- Along with Big Tech, airlines, autos, banks, retail apparel, energy, and insurance performed well during the week.
- Government bond yields rose significantly, following stronger-than-expected labor data and falling odds of another outsized 50-basis point Fed rate cut next month. However, the 2-year/10-year Treasury spread remained positive, but barely.
- The U.S. Dollar Index strengthened against a basket of currencies.
- Gold ended slightly lower. In 2024, the precious metal is higher by over +28.0%, outperforming the S&P 500. In our view, rising U.S. debt levels, falling interest rates, a slowing U.S. economy, and an increasingly unstable geopolitical environment are key factors that could remain supportive for the noble metal over the next six to twelve months.
- West Texas Intermediate (WTI) crude settled higher, logging its best week since March 2023. Crude prices have jumped higher recently on growing anxiety that the current Middle East conflict across Israel, Gaza, Lebanon, and Iran continues to escalate to levels that may start to risk global crude supply. Roughly 20% of the world's oil supply runs through the Strait of Hormuz.
- Here at home, the International Longshoremen's Association agreed to suspend their strike until January 15th, which will allow cargo to move again off the East and Gulf Coast ports. A tentative agreement boosts dock worker pay by about +62% over six years and gives time for negotiations to develop on other key issues, such as automation. Bottom line: A port strike that could have slowed growth and disrupted the economy and markets for a period in the fourth quarter has been avoided. Notably, it's one less concern investors need to contend with through yearend.

- September nonfarm payrolls grew by an unexpectedly strong +254,000, while the unemployment rate edged lower to 4.1% last month from 4.2% in August. Further, July and August job figures were revised higher by a combined +72,000. Add in a very healthy level of available jobs in the U.S. (over +8 million in August) and a strong September private payrolls report, and you have a U.S. economy that continues to benefit from a labor market on firm footing.
- Finally, ISM manufacturing showed activity coming in slightly below consensus for September, while ISM services activity beat estimates and saw its highest level since February 2023.

Reasons to maintain a positive but balanced outlook as the year winds down.

As it stands at the moment, we believe the bulls appear to have the edge in directing stock traffic at the start of the fourth quarter. Economic data remains solid, particularly on employment, and the Fed easing cycle is in its early stages. Notably, last week's falling odds for an outsized 50-basis point cut in November and increasing odds for a more gradual 25-basis point cut next month should be music to investor's ears. A Fed that can gradually bring down its policy rate in an environment where growth remains positive and inflation continues to ebb lower is likely far more supportive for asset prices than an environment in which the Fed has to lower rates quickly and by outsized cuts (i.e., 50-basis point increments).

Simply, *good news is good news* at the moment. Economic growth should remain firm (we see the U.S. economy growing by +2.5% in Q3 and by +1.9% in Q4), inflation should continue to ebb lower, labor conditions remain solid, and rate pressures should ease, causing less stress on consumers and businesses over time. The potential for a lingering port strike in the U.S. has been avoided. China is adding stimulus to the world's number two economy. Most global developed central banks are also in the process of easing policy rates. And, by the way, NVIDIA's CEO Jenson Huang said last week that the demand for its new artificial intelligence chip Blackwell is "*insane*." In our view, the fundamental backdrop for asset prices remains supportive, and investors should take note of it.

That said, valuations across major U.S. averages, such as the S&P 500 and NASDAQ, are elevated, and much of the "soft-landing" narrative described above has been priced into stocks, in our view. How much better or worse data comes in around expectations, particularly as the Q3 earnings season ramps up, could be a key factor in driving asset prices in Q4.

In addition, Middle East tensions continue to ratchet higher, which exposes the market to elevated "event shock" risk. For example, an unexpected and sudden spike in oil prices (potentially caused by supply disruptions in the Middle East) could suddenly slow global economic growth more than expected, causing corporate profits to fall, which then leads to lower stock prices as profit forecasts for the future decline. While this type of geopolitical event can't really be planned for and seldom is discounted into stock prices prior to occurring, it's a risk investors should understand, given U.S. stocks sit near all-time highs.

In addition, potential volatility after the U.S. election is another wildcard factor that should temper investor bullishness. Assets are priced for divided government, and while the odds are low the November U.S. election produces a one-party control result in Washington, we believe the potential for stock volatility post-result shouldn't be discounted to zero.

In sum, we believe investors should maintain a somewhat optimistic view of the U.S. economy and financial markets heading into yearend. Investing in opportunities across cyclical areas inside/outside of Technology, putting excess cash back to work in the market during potential periods of market stress, and locking in higher interest rates across bond allocations are strategies that could help investors navigate the final months of the year.

The Week Ahead:

The third quarter earnings season will kick off this week with PepsiCo, Delta Airlines, and some of the big banks reporting results. Consumer and producer inflation updates, as well as fresh looks at consumer sentiment, line the economic calendar.

- Q3'24 S&P 500 earnings per share (EPS) is expected to grow by +4.2% year-over-year on revenue growth of +4.7%. S&P 500 EPS expectations have moved down for the current quarter, leaving a lower hurdle rate for companies in aggregate to surpass over the coming weeks. Information Technology is again expected to provide a large tailwind to S&P 500 profits in the third quarter, while Energy is expected to be the largest drag. Health Care and Communication Services should also be additive to S&P 500 profit growth. Investors will likely focus on artificial intelligence trends, with "return on investment" playing a growing theme in how Big Tech results are interpreted in the market. Impacts/outlooks from Fed easing, updates on bifurcated consumer trends, the health of business spending, operational cost management/efficiency, labor trends, and profit margins will also help shape how the market reacts to Q3 earnings.
- Consumer and producer inflation is expected to have cooled slightly in September on most major measures, while a preliminary look at October Michigan consumer sentiment is expected to show a slight uptick. The September FOMC

meeting minutes, weekly jobless claims, and a fresh look at small business sentiment will also provide key updates on the direction of policy and economic sentiment.

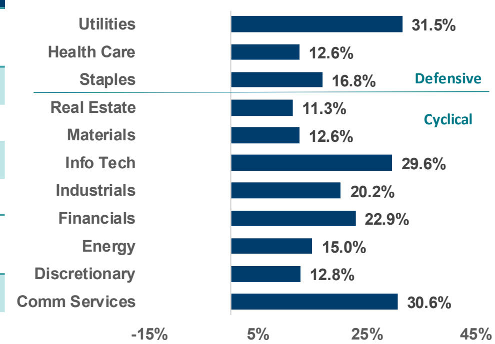
Stock Market Recap							
Benchmark	Total Returns			LTM PE		Yield %	
	Weekly	MTD	YTD	Current	5-Year Median	Current	5-Year Median
S&P 500 Index: 5,751	0.3%	-0.2%	21.9%	27.0	22.7	1.2	1.5
Dow Jones Industrial Average: 42,353	0.1%	0.1%	14.0%	24.2	20.4	1.7	2.0
Russell 2000 Index: 5,499	-0.5%	-0.8%	10.3%	61.0	39.4	1.3	1.3
NASDAQ Composite: 18,138	0.1%	-0.3%	21.5%	40.1	37.5	0.7	0.8
Best Performing Sector (weekly): Energy	7.0%	6.1%	15.0%	13.8	11.0	3.1	3.9
Worst Performing Sector (weekly): Materials	-1.9%	-1.4%	12.6%	28.2	18.9	1.8	1.9

Source: Factset. Data as of 10/04/2024

Bond/Commodity/Currency Recap			
Benchmark	Total Returns		
	Weekly	MTD	YTD
Bloomberg U.S. Universal	-1.1%	-0.9%	3.9%
West Texas Intermediate (WTI) Oil: $74.33	8.2%	8.1%	3.4%
Spot Gold: $2,653.84	-0.2%	0.7%	28.6%
U.S. Dollar Index: 102.52	2.1%	1.7%	1.2%
Government Bond Yields	Yield Chg		
	Weekly	MTD	YTD
2-year U.S. Treasury Yield: 3.92%	38 bps chg	28 bps chg	-33 bps chg
10-year U.S. Treasury Yield: 3.98%	23 bps chg	19 bps chg	9 bps chg

Source: Factset. Data as of 10/04/2024. bps = basis points

YTD Total Returns by S&P 500 Sector



Source: S&P Global, Factset. Data as of 10/04/2024

These figures are shown for illustrative purposes only and are not guaranteed. They do not reflect taxes or investment/product fees or expenses, which would reduce the figures shown here. An index is a statistical composite that is not managed. It is not possible to invest directly in an index. Past performance is not a guarantee of future results.

U.S. Premarket Indicators / Overnight International Market Activity

United States:

Here is a quick news rundown to start your morning:

- **Premarket activity points to a slightly lower open.** Following four straight weeks of gains and coming off a stronger-than-expected jobs report on Friday, stocks look to open the new week lower. Given last week's hot jobs data, odds of a 50-basis point Fed rate cut in November have been largely pulled off the table in favor of a 25-basis point cut. This week's inflation data, particularly on the consumer, could be key in shaping if current odds remain intact.

Europe:

This week's economic releases will largely focus on Europe's number one economy, Germany. Industrial production, manufacturing orders, and a final look at September inflation are all on the docket this week. Industrial production is expected to pick up slightly while manufacturing orders are expected to contract. Final September consumer inflation is expected to be confirmed at +1.8% y/y, driven by base effects from energy. However, recent sentiment data, weak manufacturing trends, and stress across the auto sector have increased concerns that Germany is entering a recession.

Asia-Pacific:

Central bank meetings across the Bank of Korea, Reserve Bank of Ireland, Reserve Bank of New Zealand, and Monetary Authority of Singapore line the week. China markets reopen after Golden Week.

WORLD CAPITAL MARKETS

10/7/2024 As of: 8:30 AM ET

Americas	% chg.	% YTD	Value
S&P 500	0.9%	21.9%	5,751.1
Dow Jones	0.8%	14.0%	42,352.8
NASDAQ Composite	1.2%	21.5%	18,137.9
Russell 2000	1.5%	10.3%	2,212.8
Brazil Bovespa	0.1%	-1.8%	131,792
S&P/TSX Comp. (Canada)	0.8%	18.1%	24,162.8
Russell 3000	1.0%	20.4%	3,275.4

Europe (Intra-day)	% chg.	%YTD	Value
DJSTOXX 50 (Europe)	0.0%	12.9%	4,956.9
FTSE 100 (U.K.)	0.4%	10.8%	8,313.1
DAX Index (Germany)	-0.2%	13.9%	19,076.8
CAC 40 (France)	0.2%	3.1%	7,555.7
FTSE MIB (Italy)	0.3%	11.0%	33,683.1
IBEX 35 (Spain)	0.6%	20.0%	11,726.6
MOEX Index (Russia)	#VALUE!	#VALUE!	#N/A N/A

Asia/Pacific (Last Night)	% chg.	%YTD	Value
Nikkei 225 (Japan)	1.8%	19.3%	39,332.7
Hang Seng (Hong Kong)	1.6%	41.2%	23,099.8
Korea Kospi 100	1.6%	-0.7%	2,610.4
Singapore STI	0.3%	16.6%	3,599.2
Shanghai Comp. (China)	8.1%	12.2%	3,336.5
Bombay Sensex (India)	-0.8%	13.4%	81,050.0
S&P/ASX 200 (Australia)	0.7%	12.6%	8,205.4

Global	% chg.	% YTD	Value
MSCI All-Country World Idx	0.6%	18.5%	847.4

Developed International	% chg.	%YTD	Value
MSCI EAFE	-0.3%	11.0%	2,413.0

Emerging International	% chg.	%YTD	Value
MSCI Emerging Mkts	0.5%	18.0%	1,179.3

Note: International market returns shown on a local currency basis. The equity index data shown above is on a total return basis, inclusive of dividends.

S&P 500 Sectors	% chg.	% YTD	Value
Communication Services	1.2%	30.6%	319.0
Consumer Discretionary	1.6%	12.8%	1,590.0
Consumer Staples	0.2%	16.8%	873.0
Energy	1.1%	15.0%	718.0
Financials	1.6%	22.9%	759.6
Health Care	0.1%	12.6%	1,769.1
Industrials	0.6%	20.1%	1,146.2
Materials	0.4%	12.6%	599.3
Real Estate	-0.6%	11.4%	273.1
Technology	1.0%	29.6%	4,380.8
Utilities	-0.2%	31.5%	413.0

Equity Income Indices	% chg.	% YTD	Value
JPM Alerian MLP Index	0.2%	13.8%	289.5
FTSE NAREIT Comp. TR	-0.5%	11.5%	26,669.8
DJ US Select Dividend	0.6%	18.0%	3,544.3
DJ Global Select Dividend	0.4%	13.3%	238.9
S&P Div. Aristocrats	0.3%	13.0%	4,828.0

Bond Indices	% chg.	% YTD	Value
Barclays US Agg. Bond	-0.7%	3.4%	2,235.5
Barclays HY Bond	-0.1%	7.8%	2,673.9

Commodities Futures & Spot (Intra-day)	% chg.	% YTD	Value
CRB Raw Industrials	0.1%	3.0%	560.1
NYMEX WTI Crude (p/bbl.)	2.1%	6.0%	76.0
ICE Brent Crude (p/bbl.)	1.9%	3.2%	79.5
NYMEX Nat Gas (mmBtu)	-0.7%	12.7%	2.8
Spot Gold (troy oz.)	0.1%	28.8%	2,657.3
Spot Silver (troy oz.)	-0.8%	34.2%	31.9
LME Copper (per ton)	0.8%	15.7%	9,796.4
LME Aluminum (per ton)	0.9%	12.6%	2,642.1
CBOT Corn (cents p/bushel)	-0.4%	-16.0%	423.0
CBOT Wheat (cents p/bushel)	-0.1%	-11.9%	589.3

Foreign Exchange (Intra-day)	% chg.	% YTD	Value
Euro (€/$)	0.1%	-0.5%	1.10
British Pound (£/$)	-0.3%	2.8%	1.31
Japanese Yen ($/¥)	0.3%	-4.8%	148.22
Australian Dollar (A$/$)	0.0%	-0.2%	0.68
Canadian Dollar ($/C$)	0.0%	-2.5%	1.36
Swiss Franc ($/CHF)	0.4%	-1.6%	0.86

Data/Price Source: Bloomberg. Equity Index data is total return, inclusive of dividends, where applicable.

Ameriprise Global Asset Allocation Committee (GAAC)

U.S. Equity Sector - Tactical Views

	S&P 500 Index Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC Recommended Weight
Consumer Staples	5.8%	Overweight	2.0%	7.8%
Information Technology	32.5%	Equalweight	-	32.5%
Financials	12.3%	Equalweight	-	12.3%
Health Care	11.7%	Equalweight	-	11.7%
Communication Services	9.4%	Equalweight	-	9.4%
Industrials	8.1%	Equalweight	-	8.1%
Energy	3.6%	Equalweight	-	3.6%
Utilities	2.3%	Equalweight	-	2.3%
Materials	2.2%	Equalweight	-	2.2%
Real Estate	2.1%	Equalweight	-	2.1%
Consumer Discretionary	10.0%	Underweight	-2.0%	8.4%

As of: June 30, 2024

Index weightings represent the respective market capitalization of each sector in the S&P 500 as of 6/30/2024. The GAAC Tactical Overlay, as well as Recommended Tactical Weights, is derived from the Ameriprise Global Asset Allocation Committee (GAAC).Views are expressed relative to the Index and are provided to represent investment conviction in each region. Tactical Allocations are designed to augment Index returns over a 6-12 month time horizon. Numbers may not add due to rounding.

Global Equity Regions - Tactical Views

	MSCI All-Country World Index Weight	GAAC Tactical View	GAAC Tactical Overlay	GAAC Recommended Weight
United States	63.6%	Overweight	2.1%	65.7%
Europe ex U.K.	12.8%	Overweight	2.0%	14.8%
Japan	5.1%	Overweight	1.0%	6.1%
United Kingdom	3.3%	Equalweight	-	3.3%
Latin America	0.8%	Equalweight	-	0.8%
Asia-Pacific ex Japan	10.6%	Underweight	-3.0%	7.6%
Canada	2.7%	Underweight	-1.0%	1.7%
Middle East / Africa	1.1%	Underweight	-1.1%	0.0%

as of: June 30, 2024

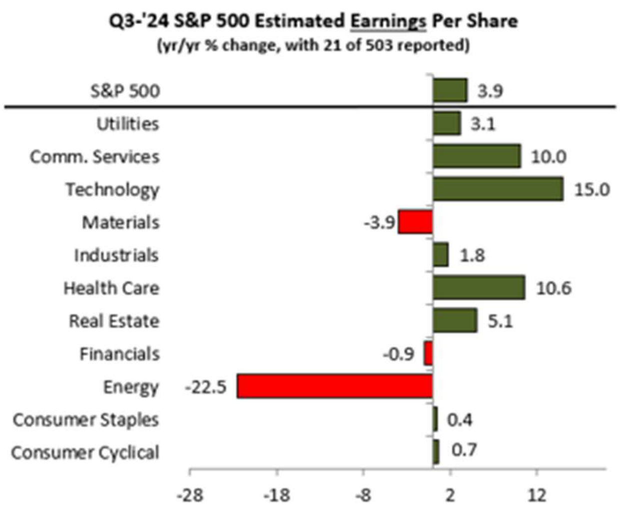
Index weightings are based on the regional market capitalizations of the MSCI All-Country World Index as of 06/30/2024. The GAAC Tactical Overlay, as well as the Recommended Tactical Weights, are derived from the Ameriprise Global Asset Allocation Committee (GAAC). Views are expressed relative to the Index and are provided to represent investment conviction in each region. Tactical Allocations are designed to augment Index returns over a 6-12 month time horizon. Numbers may not add due to rounding.

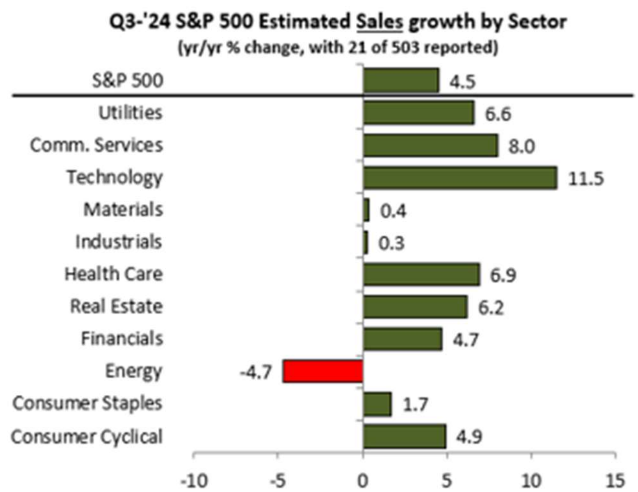
The Week Ahead:

Russell T. Price, CFA, Chief Economist

Unless otherwise noted, all economic estimates are sourced from Bloomberg and all corporate earnings measures are sourced from FactSet.

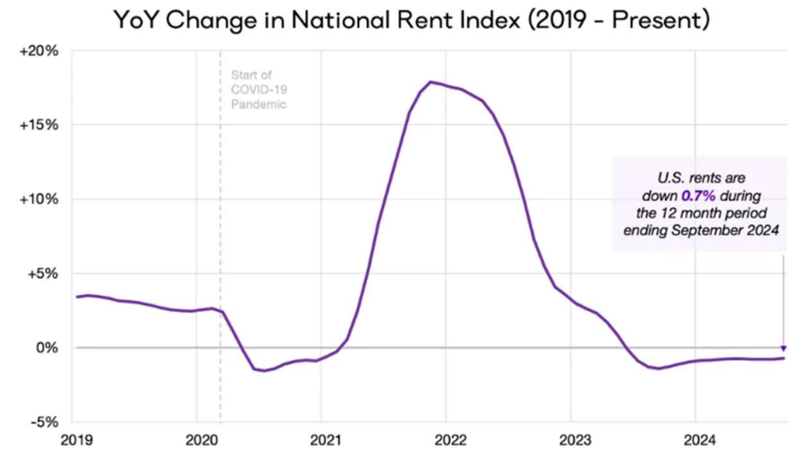
- **Earnings:** The third quarter earnings release season gets underway this week with a few of the nation's largest financial institutions posting their results late in the week. Overall, there are 9 S&P 500 companies scheduled to report including one that is also a member of the Dow Jones Industrial Average.
- S&P 500 earnings per share (EPS) for the third quarter (Q3) are currently forecast to have grown by a modest +3.9% on sales growth of +4.5%. These numbers are down somewhat from the preceding week when blended EPS were projected to show +4.3% growth on sales growth of +5.0%. At the start of the quarter (July 1), analysts were looking for S&P 500 companies to post aggregate EPS growth of +7.3% on sales growth of +4.5%. Given typical outperformance during any given release season, we believe the final results are likely to end-up in the upper single digits.
- A look at earnings expectations by sector tell a modestly better story. Lower energy commodity prices this year are expected to weigh heavily on energy sector results. The sector is expected to see a near 23% y/y decline in EPS resulting in 1.6 points of downside for the overall Index. Consumer Discretionary and Staples are also expected to see generally flat results. Analysts increased their earnings estimates for the Information Technology space, however, by 0.3%.
- Overall, analysts lowered their Q3 EPS estimates by 3.9% over the course of the quarter, according to FactSet. Estimates typically come down during any given quarter but the Q3 adjustments were moderately larger than the norm. Over the last 5- and 10-year periods, current quarter EPS estimates have been adjusted lower by an average of 3.3%. FactSet notes that estimates for 2025, however, have declined by less than 1% over the period. *All data mentioned in this commentary, including that depicted in the tables below, has been sourced from FactSet.*



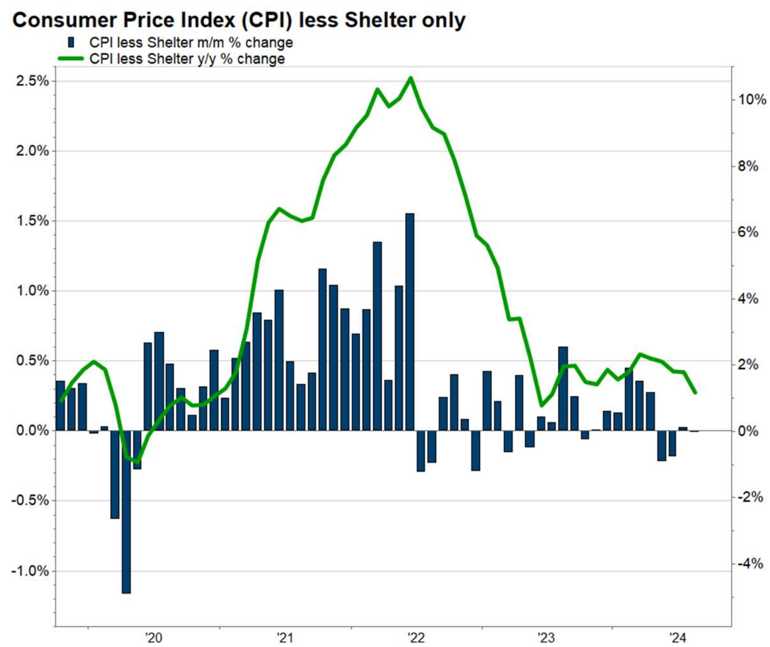


- **The Economic Calendar:** Inflation dominates the economic calendar this week. On Tuesday, the Fed will also release the meeting minutes from its September 18th Federal Open Market Committee (FOMC) meeting. The minutes will be closely scrutinized given that the meeting produced a larger than expected cut in the Fed's overnight bank lending rate and set the stage for additional cuts (of how many?) at the final two monetary policy meetings of the year.
- **September Consumer Price Index:** The Labor Department will release its latest Consumer Price Index (CPI) report on Thursday. The numbers for September are expected to show a muted 0.1% month-over-month (m/m) gain at the headline level as gasoline prices dropped more than the seasonal norm in the period. Gasoline costs account for about 5% of the Index but sharp deviations from the norm can influence the headline CPI measure. According to data from the Energy Information Administration (EIA), national average gasoline prices dipped 5.2% m/m last month against a historical seasonal norm of about -0.2%. We calculate that the difference could shave as much as 0.2 percentage points from the headline CPI m/m results.
- On a year-over-year basis, headline CPI is expected to be 2.3% higher, down from August's rate of +2.5%. If so, it would be the weakest y/y reading since February 2021.
- **Shelter is still the key**. As has been the case for several quarters, all eyes will once again be on the Shelter component of CPI. We've talked about this issue ad nauseum over the last two years, and it remains THE primary determinant of

near and intermediate-term CPI results, in our view. The component is still adding most of the upside to y/y inflation rates despite real-world evidence of lower actual rental rates. As a quick reminder, shelter accounts for a dominant 34% of the headline CPI measure and is primarily based on housing rental rates. Such rates spiked in the latter half of the pandemic period but have since (over approximately the last year and a half – see chart) been lower on a y/y basis according to real-world measures of rents such as the National Rent Report from Apartments.com.



- Real world rates are reflected in the CPI report but with a considerable lag due to technical issues with the way it is measured. As such, the component has yet to show a sustained break to the downside as it eventually should. *The graph at right is sourced from Apartments.com.*
- As seen in the chart at right**, <u>total consumer prices minus just the shelter component alone were a very modest +1.1% higher y/y in August</u>.** *The chart at right is sourced from FactSet.*
- Meanwhile, prices at the Core level (excluding food and energy costs) are expected to be 0.2% higher m/m and a steady 3.2% higher versus year-ago levels.
- Here as well, Shelter is the primary driver of the higher rate. Excluding Shelter, Core CPI inflation would have been 1.6% in August, half its reported rate of +3.2%. *The chart at right is sourced from FactSet.*



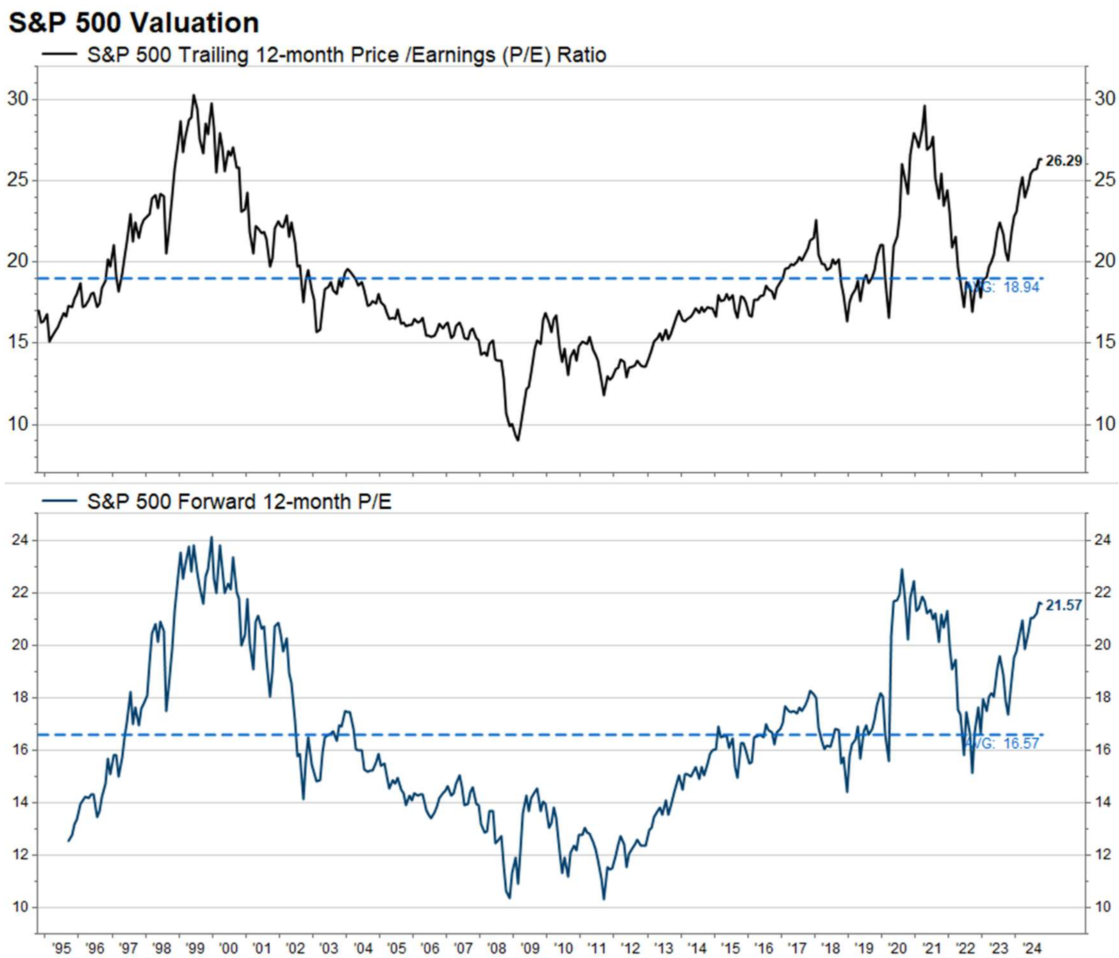
The calendar below is sourced from American Enterprise Investment Services Inc.

October 7	8	9	10	11
Consumer Credit	**NFIB Small Business Index**	**Wholesale Inventories**	**Initial Jobless Claims**	**Producer Price Index**
Trade - Japan	**Trade Balance**	**Sept. 18th FOMC Minutes**	**Consumer Price Index**	**UofM Consumer Sentiment**
Leading Index - Japan		*Bank Lending - Japan*		*Industrial Production - India*
Retail Sales - Eurozone				

Where Market Fundamentals Stand Heading into The Week:

S&P 500 Trailing and Forward P/E valuations: *Source: FactSet*

Please note: Although we try to maintain consistency as much as possible, Price to Earnings (P/E) ratios may differ from one source to another. Most notably, P/E numbers can often show their most notable differences during an earnings release season as some sources may still use the last full 'actual' earnings number while others use earnings per share that are updated via a combination of actual and estimated earnings per share. The calculation of earnings (operating earnings versus 'as reported' or GAAP) also often differ modestly from one data source to another due to the proprietary use of calculation methodologies.



Consensus Earnings Estimates: *Source: FactSet*

Please note: The consensus earnings estimates shown below should viewed cautiously. The business environment remains very dynamic, thus leaving current estimates with greater uncertainty than usual, in our view. The table below is sourced from American Enterprise Investment Management Inc and is based on data from FactSet.

S&P 500 Earnings Estimates	2020	2021	2022	2023				2024				2025				2026
9/7/2024	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Est.	Est.	Est.	Est.	Est.	Est.	Est.
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY
Quarterly $$ amount				$53.34	$54.52	$58.91	$55.56	$56.45	$60.55	$60.62	$63.39	$64.04	$68.05	$70.68	$73.02	
change over last week										-$0.21	-$0.30	-$0.26	-$0.21	-$0.10	-$0.06	-$0.80
yr/yr				-1.4%	-3.8%	5.8%	3.9%	5.8%	11.1%	5.0%	14.1%	13.4%	12.4%	16.6%	15.2%	
qtr/qtr				-0.2%	2.2%	8.1%	-5.7%	1.6%	7.3%	0.1%	4.6%	1.0%	6.3%	3.9%	3.3%	
Trailing 4 quarters $$	$143.08	$211.09	$222.33	$219.17	$216.99	$220.24	$222.33	$225.44	$231.47	$233.18	$241.01	$248.60	$256.10	$266.16	$275.79	$310.41
yr/yr % change	-13.0%	47.5%	4.2%				0.0%				8.4%				14.4%	12.6%
Implied P/E based on a S&P 500 level of: 5751												23.1	22.5	21.6	20.9	18.5

Economic News and Views:

Russell T. Price, CFA – Chief Economist

Releases for Monday October 7, 2024 — **All times Eastern. Consensus estimates via Bloomberg**

Time	Period	Release	Consensus Est.	**Actual**	Prior	Revised to
3:00 PM	AUG	Consumer Credit	+12.0B		+25.5B	

Ameriprise Economic Projections

Forecast:	Full-year				Quarterly						
	Actual 2022	Actual 2023	Est. 2024	Est. 2025	Actual Q4-2023	Actual Q1-2024	Actual Q2-2024	Est. Q3-2024	Est. Q4-2024	Est. Q1-2025	Est. Q2-2025
Real GDP (annualized)	2.5%	2.9%	2.6%	1.8%	3.2%	1.6%	3.0%	2.5%	1.9%	1.8%	2.0%
Unemployment Rate	3.6%	3.7%	4.4%	4.2%	3.7%	3.8%	4.1%	4.2%	4.4%	4.4%	4.4%
CPI (YoY)	8.0%	3.4%	2.4%	2.0%	3.4%	3.5%	3.0%	2.5%	2.4%	2.1%	2.1%
Core PCE (YoY)	5.2%	2.9%	2.4%	2.0%	2.9%	2.8%	2.6%	2.4%	2.3%	2.2%	2.2%

Sources: Historical data via FactSet. Estimates (Est.) via American Enterprise Investment Services Inc.

YoY = Year-over-year, Unemployment numbers are period ending. GDP: Gross Domestic Product; CPI: Consumer Price Index

PCE: Personal Consumption Expenditures Price Index. Core excludes food and energy.

All estimates other than GDP are period ending. **Last Updated: October 2, 2024**

Ameriprise Global Asset Allocation Committee Targets and Views

Targets

2024 Year-end Targets:	**Favorable Scenario**	**Base-Case Scenario**	**Adverse Scenario**
S&P 500 Index:	5,900	5,750	5,000
10-Year U.S. Treasury Yield:	4.00%	3.75%	3.00%
Fed Funds Target Range:	4.50% to 4.75%	4.75% to 5.00%	4.25% to 4.50%

Estimates (Est.) via American Enterprise Investment Services Inc.

Please see latest *Quarterly Capital Market Digest* for more information. **Last Updated: July 8, 2024**

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Ameriprise Global Asset Allocation Committee Tactical Asset Class Views

As of 6/30/24

	Overweight	Equalweight	Underweight
Equity	• U.S. Large Cap Growth • Developed Foreign Equity	• U.S. Large Cap Value • U.S. Mid Cap Value • U.S. Mid Cap Growth • U.S. Small Cap Value • U.S. Small Cap Growth	• Emerging Foreign Equity
S&P 500 Sectors	• Consumer Staples	• Communication Services • Energy • Financials • Health Care • Industrials • Information Technology • Materials • Real Estate • Utilities	• Consumer Discretionary
Global Equity Regions	• Europe ex U.K. • Japan • United States	• Latin America • United Kingdom	• Asia-Pacific ex Japan • Canada • Middle East / Africa
Fixed Income	• U.S. Government • U.S. Inv. Grd Corporate	• Developed Foreign Bond	• Emerging Foreign Bond • High Yield Bond
Alternatives		• Real Assets	• Alternative Strategies
Cash		• Cash	

Note: Our Tactical Allocations are designed to augment a Strategic portfolio over a 6-12-month time horizon. **Asset Allocation and diversification do not ensure or guarantee better performance and do not eliminate the risk of investment losses. Investors should note that rising interest rates could have a detrimental effect on bond prices. Please consult with your financial advisor.** Cash generally refers to assets, securities and/or products low in risk and highly liquid. For asset allocation purposes, instruments can include Treasury bills, certificates of deposit, money market funds and high quality bonds whose maturities are less than 3 months. Outside of asset allocation purposes, cash investments can also include illiquid cash held in a mutual fund or pledged as collateral for derivatives. You can only access this cash by redeeming the fund using it, subject to fees or time constraints associated with redemptions.

As of June 30, 2024	Rolling Returns			
Major Market Indices	**Q2'24**	**1-year**	**3-years**	**5-years**
Russell 3000® Index (U.S. Equity)	3.22%	23.13%	8.05%	14.14%
MSCI ACWI Ex USA Index – net (Foreign Equity)	0.96%	11.62%	0.46%	5.55%
Bloomberg U.S. Universal Bond Index (Fixed Income)	0.19%	3.47%	-2.68%	0.11%
Wilshire Liquid Alternative Index (Alternatives)	0.49%	7.30%	1.37%	2.75%
FTSE Three-Month Treasury Bill Index (Cash)	1.37%	5.64%	3.17%	2.22%

Past performance is not a guarantee of future performance. Performance calculations use FactSet data and are as of Date.

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